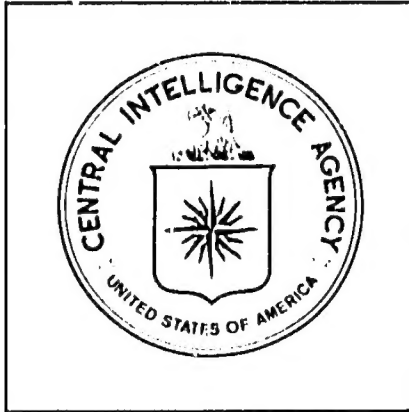


25X1

Approved For Release 2004/08/25 : CIA-RDP86T00608R000400110022-3

Approved For Release 2004/08/25 : CIA-RDP86T00608R000400110022-3

**Top Secret**



# STAFF NOTES:

## Soviet Union Eastern Europe

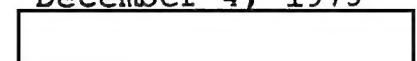
DOS review(s) completed.

**Top Secret**

25X1

171

December 4, 1975





SOVIET UNION - EASTERN EUROPE

25X1

CONTENTS

December 4, 1975

USSR-US-Angola: Soviets Rap US on Angola . . . . 1

25X1

Polish Zloty Declines in Value on Black  
Market . . . . . 5

No Surprises at Polish Party Congress. . . . . 6

USSR-US-Angola: Soviets Rap US On Angola

The Soviet central press is giving heavy play to allegations of extensive US military intervention in Angola on behalf of the Popular Movement's rivals. This may be Moscow's way of responding to Secretary Kissinger's recent public warnings that continued Soviet and Cuban support for the Popular Movement could have serious consequences for detente.

The Soviet media have concentrated on replaying charges made by various American and African journals. *Pravda* however, broke stride earlier this week by running an article which asserted that US (and NATO) "servicemen," along with weapons and other military equipment, were being "rushed" to Angola to reinforce the ranks of "foreign interventionists" fighting there.

In an apparent effort to justify Soviet involvement in Angola, Kremlin propagandists are continuing to refer to US-Chinese collusion in the former Portuguese territory. *Pravda*, for example, has speculated that Angola might be high on the agenda in the talks this week between President Ford, Secretary Kissinger, and Chinese leaders in Peking. The Communist Party daily had earlier charged that the Chinese had approached the US to suggest "parallel or joint efforts" against the Soviet-backed Popular Movement.

Soviet commentators are also going to great lengths to emphasize that detente with the West in no way precludes Soviet support for national liberation struggles elsewhere in the world. In an editorial on the limits of detente, *Izvestia* on December 2 said that "some people would like to have us believe that the process of easing tension in the world and support for the national liberation struggle are incompatible things. They have

December 4, 1975

tried to assert this in the past but in vain." The editorial closed by noting that "the detente process does not mean-and never has meant-the freezing of the socio-political status quo in the world."

Some of Moscow's East European allies are also weighing in against Secretary Kissinger's remarks on Soviet involvement in Angola. An editorial, for example, in a quasi-official Warsaw newspaper on December 1 portrayed alleged imperialist efforts to counter the Popular Movement regime as part of a strategy of concentrating on "new regions" in the face of defeat in Indochina, the overthrow of "Frankists" in Portugal, and "symptoms of democratic reforms" in Spain. The editorial observed that, at a time when the Secretary is addressing "so-called warnings" to states supporting the Popular Movement, the American press itself is reporting a CIA airlift to Zaire. It concluded by arguing that moral and physical assistance provided to the "Angolan Government" is nothing more than a barrier against "the shifting fronts of militarism and aggression."

25X1

December 4, 1975

Next 1 Page(s) In Document Exempt

Polish Zloty Declines in  
Value on Black Market

Polish citizens are apparently becoming increasingly concerned that the regime will soon devalue the zloty. As a result, black market rates for foreign currency have skyrocketed. A dollar, for example, is now worth from 120 to 150 zloty compared to its previous value of 85-95.

Rumors of devaluation circulated so widely this fall that Prime Minister Jaroszewicz was forced to deny them publicly. The skeptical public, however, is obviously hedging its bets.

25X1

December 4, 1975



No Surprises at Polish Party Congress

The seventh congress of the Polish Communist Party that opens on Monday will enthusiastically endorse party leader Edward Gierek's economic policies and approve his programs for the next five years. Just below the surface, however, there is considerable concern within the leadership that the volatile and demanding population is still not satisfied and is prepared to express its unhappiness in word and deed.

Since 1971 party chief Gierek has moved the Polish economy into high gear. The goals of the current five year plan--already raised twice--will for the most part be significantly exceeded. Much of this advance is due to Gierek's successful campaign to use Western credits and technology to modernize the economy.

The Polish consumer has fared well. Average real wages have increased 40 percent since 1971, and both the quantity and quality of consumer goods have improved dramatically. The average citizen, however, has tasted the good life and is prone to forget how much has changed since 1971. He has become increasingly concerned about inflation and the failure of supply to meet the rising demand for many consumer items, particularly meat. Consequently, the regime this year has had to contend with mounting public tension. The party has made special efforts to see that stores are well stocked in the pre-Congress and Christmas season, and the US embassy reports that tensions have decreased since their mid-October high.

The Polish people believe, and with good reason, that the rapid progress they have experienced will be slowed down by various austerity measures, including widespread price increases. Gierek's chief domestic policy aide, however, recently told a US embassy officer that early next year Warsaw would decide "at leisure" when and on what items prices would be increased.

December 4, 1975

For the longer term, the Gierek regime will find it increasingly difficult to continue the recent pace of economic growth. Warsaw will have to search harder and pay more for essential Western credits and technology. Soviet raw material deliveries will fall further behind in meeting Polish needs and will be more costly. Wage increases will have to be more closely tied to increases in productivity, and consumer prices are sure to go up. Gierek's political tenure may well depend on how he manages the difficult problems without alienating the Polish population.

No wholesale changes within the leadership or in its policies will be made at the congress. Indeed, Gierek's aide told a US embassy official there would be "no surprises." Despite the numerous rumors of policy disputes within the leadership, there is no serious challenger to Gierek. He still probably has considerable popular support and appears to have the party bureaucracy firmly in hand as a result of his reorganization of the administrative bureaucracy earlier this year.

Some personnel changes are expected at the congress. The former number-two man in the party, Franciszek Szlachcic, who was demoted last year for excessive nationalism and personal ambition, will leave the Politburo. The ailing Mieczyslaw Jagielski has partially recovered from a heart attack and will reportedly remain. The new planning commission head and Gierek associate, Tadeusz Wrzaszczyk, is a likely candidate to move onto the Politburo.

The congress itself will last five days. Gierek will kick it off with a nationally televised speech that will highlight past accomplishments while making clear that there are limits to what can be done. On foreign policy he will recite Poland's full allegiance to the Soviet Union. Prime Minister Jaroszewicz will outline the 1976-80 five year plan.

December 4, 1975

[REDACTED]

Soviet party first secretary Brezhnev will witness the Polish pep rally. The leaders of Poland's East European allies--with the exception of Romania's Ceausescu--will also be on hand.

In private discussions, the Polish leadership will undoubtedly try to sound out their Soviet guests on any impending personnel changes in Moscow. The Poles are reportedly concerned that changes at the Soviet party congress in February could involve Brezhnev, whom they consider to be sympathetic to their problems. Gierek, for his part, will undoubtedly try to allay Moscow's concerns about the westward drift of the Polish economy. [REDACTED]

25X1

25X1

December 4, 1975